

State of Utah

Operating and Capital Budget Recommendations by Department

- Agency categories in alphabetical order
- Budget and program highlights
- Governor Walker's major budget recommendations
- Intent statements recommended by the governor for the FY 2005 supplemental appropriations act and the FY 2006 appropriations act
- Three-year comparison of operating and capital budgets
- Detailed FY 2006 base adjustments, FY 2006 ongoing and one-time appropriations, and FY 2005 supplemental appropriations

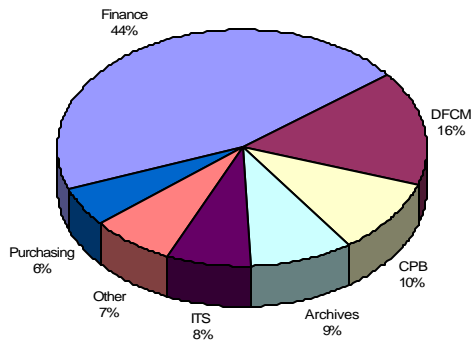




ADMINISTRATIVE SERVICES

Randa Bezzant, Analyst

Where Will My Taxes Go for Administrative Services?
(Figure Based on Total FY 2006 Operating Funding)



Highlighted Services (Including the Governor's Recommendations)

\$12 million for Finance

- Prepares the state's *Comprehensive Annual Financial Report*
- Operates and maintains the state's financial accounting system, and processes 14.6 million records annually
- Issues approximately 2.3 million warrants (checks) and sends an estimated 667,000 electronic funds transfers (EFT)
- Collects \$9.4 million of debts owed the state through the FINDER system

\$4 million for Division of Facilities Construction and Management (DFCM)

- Oversees an estimated 579 construction projects with expenditures averaging \$230 million
- Manages about 356 leases with annual rentals of \$21 million

\$3 million for Capitol Preservation Board

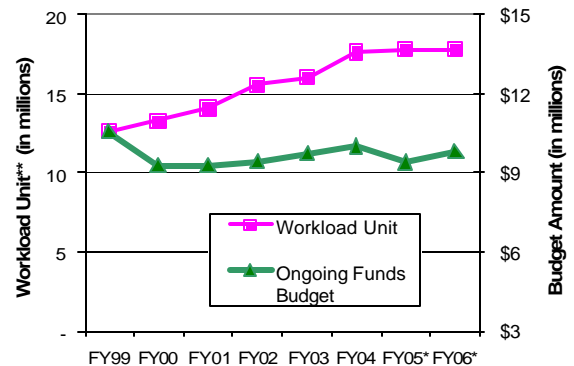
- Provides ongoing building operation and maintenance for seven buildings on the Capitol Hill Complex

\$2 million for Archives

\$2 million for Information Technology Services (ITS)

\$1 million for Purchasing

Ongoing Funding For Finance Has Decreased While Workload Has Increased



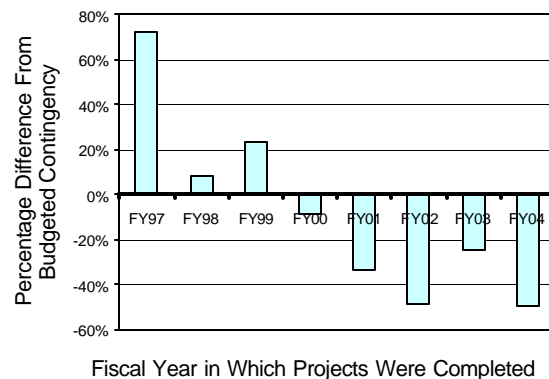
*Estimated

**The workload unit is the sum of accounting records processed, warrants issued, and EFTs sent.

Governor's Recommendation Highlights (All Funding Sources)

- \$4.0 million - One-time increase to LeRay McAllister Critical Land Conservation Fund
- \$0.8 million - Ongoing increase for Utah Wireless Integrated Network (UWIN) - OmniLink operating costs

DFCM Has Reduced Contingency Expenditures On Capital Projects



DFCM has achieved greater cost control by changing the type of bid and contract methods it uses for capital projects.

BUDGET OVERVIEW

Administrative services consists of the Department of Administrative Services (DAS) and the Office of the Capitol Preservation Board (CPB). Their primary focus is to provide specialized agency support services, eliminate unnecessary duplication of services within state government, and preserve the State Capitol building and grounds.

For FY 2006 the governor recommends that administrative services operating budget be appropriated \$26,992,200 in total funds. This amount includes \$21,082,400 in General Fund, a 49.9 percent increase from the FY 2005 authorized General Fund amount. The increase is due mainly to \$4,000,000 in one-time funds for the LeRay McAllister Critical Land Conservation Fund.

In addition to fully funding health and dental rate increases, the governor's recommended appropriation includes \$562,100 in General Fund (\$722,400 in total funds) to provide employees with a 3.0 percent cost-of-living salary adjustment and market comparability adjustments.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Restore \$1,100,000 in ongoing funds to replace temporary capital project funds. Over the last few years the Project Reserve Fund and the Contingency Reserve Fund have had excess amounts available that have been used to fund the Division of Facilities Construction and Management (DFCM) administration staff. The nature of these funds does not guarantee that funds will be available on an ongoing basis. Excess amounts have been the result of construction prices that were lower than originally budgeted, and from greater cost control achieved by using different bid and contract methods for capital projects.
- Provide \$755,000 in ongoing funds to the Utah Wireless Integrated Network (UWIN) - OmniLink project for operating costs. The

project was developed to provide system users, including federal, state, and local agencies, with the ability to transmit voice and data communications to other system users throughout the state.

- Provide \$120,000 in ongoing funds for operations and maintenance of buildings on Capitol Hill.
- Provide \$133,100 in ongoing funds for three positions. They include an archives position to digitize records, an administrative rules editor, and a secretary for CPB.
- Provide \$4,000,000 in one-time funds to the LeRay McAllister Critical Land Conservation Fund.

Other Funds

- Use Contingency Reserve Fund of \$1,100,000 for DFCM capital development staff, real estate staff, and administrative staff costs. Eventually an ongoing General Fund appropriation should be restored to fund these costs since the Contingency Reserve Fund is one time in nature.

INTERNAL SERVICE FUNDS

DAS includes several internal service fund (ISF) agencies that provide products and services to state and other governmental agencies on a cost-reimbursement basis. They are set up to account for the cost of certain governmental services and to avoid duplication of effort among agencies, thus providing savings statewide. ISF agencies must receive legislative approval for rates charged to agencies, capital acquisitions, and full-time equivalent positions (FTEs).

For FY 2006 the governor recommends the rate changes approved by the ISF rate committee, except for the 3.0 percent inflation increase that was included in the calculation of the vehicle monthly lease rate. The governor also recommends FTEs and capital outlay authorizations for DAS' ISF agencies as indicated on the following table:

ISF Description	FTE Recommended	Capital Outlay Recommended
Debt Collection	5.0	\$0
General Services	60.0	2,816,000
Information Technology	241.0	6,800,500
Fleet Operations	43.0	14,310,600
Risk Management	25.0	100,000
DFCM	119.0	73,200

- Reduce 3.5 FTEs in General Services by closing the Cannon Health Building Publishing Service Center.
- Reduce 2.0 FTEs in Fleet Operations by cutting back the Federal Surplus Program.

FY 2005 PROPOSED LEGISLATIVE INTENT

- Funds for the Automated Geographic Reference Center (AGRC) are nonlapsing.

FY 2006 PROPOSED LEGISLATIVE INTENT

- Funds for the Executive Director's Office are nonlapsing.
- Funds for the Division of Archives are nonlapsing and shall be used to digitize and microfilm documents generated by former Utah governors for preservation and access.
- Funds for the Division of Administrative Rules are nonlapsing.
- Funds for the Division of Finance are nonlapsing and are to be used toward statewide accounting systems.

- Funds for the Judicial Conduct Commission are nonlapsing.
- Funds for Post Conviction Indigent Defense are nonlapsing.
- Funds for LeRay McAllister Critical Land Fund are nonlapsing.
- Funds for the Division of Purchasing are nonlapsing.
- Funds for AGRC are nonlapsing.
- Funds for Child Welfare Parental Defense are nonlapsing.
- DAS' ISF agencies may add FTEs beyond the authorized level if the addition represents a benefit to the state and a decrease of FTEs in the user agency. Total FTEs within state government shall not change with the shift of FTEs.
- DFCM's ISF may add FTEs beyond the authorized level if new facilities come online or maintenance agreements are requested. Any added FTEs will be reviewed and approved by the legislature during the next legislative session.

- Unless inappropriate or prohibited by law, the Office of Debt Collection shall be authorized to establish reasonable costs of collection to be passed on to the debtor including attorney fees, all legal costs, and administrative costs.
- Funds for CPB are nonlapsing and shall be used for the design and construction costs associated with the State Capitol restoration.

ADMINISTRATIVE SERVICES

Operating Budget

Governor Walker's Recommendations							
	Actual FY 2004	Authorized FY 2005	Supple- mentals	Recommended FY 2005	Base FY 2006	Ongoing and One-time Adj.	Total FY 2006
Plan of Financing							
General Fund	\$17,257,100	\$14,067,800	\$170,000	\$14,237,800	\$13,991,000	\$7,091,400	\$21,082,400
Transportation Fund	450,000	450,000	0	450,000	450,000	0	450,000
Federal Funds	552,200	500,000	0	500,000	54,500	0	54,500
Dedicated Credits	4,000,400	2,803,600	0	2,803,600	2,794,400	79,700	2,874,100
Restricted and Trust Funds	4,156,400	5,479,100	0	5,479,100	5,458,000	(926,100)	4,531,900
Transfers	(678,600)	(341,200)	0	(341,200)	(341,200)	(4,000,000)	(4,341,200)
Beginning Balances	2,732,800	6,294,200	0	6,294,200	3,330,100	0	3,330,100
Closing Balances	(6,294,200)	(3,330,100)	0	(3,330,100)	(282,600)	0	(282,600)
Lapsing Funds	(190,500)	(87,400)	0	(87,400)	(87,400)	87,400	0
Total Financing	\$21,985,600	\$25,836,000	\$170,000	\$26,006,000	\$24,659,800	\$2,332,400	\$26,992,200
Programs							
Administrative Services							
Executive Director's Office	\$861,900	\$860,800	\$0	\$860,800	\$857,700	\$40,100	\$897,800
Administrative Rules	285,700	390,600	0	390,600	375,500	142,200	517,700
Archives	1,950,000	2,090,300	0	2,090,300	2,057,000	301,500	2,358,500
DFCM - Administration	3,800,800	3,950,600	0	3,950,600	3,929,500	306,100	4,235,600
Finance							
Administration	9,427,600	12,048,500	50,000	12,098,500	11,691,900	432,000	12,123,900
Mandated - Judicial Conduct Comm.	207,300	234,200	0	234,200	225,700	7,500	233,200
Mandated - Indigent Defense	42,000	74,000	0	74,000	74,000	0	74,000
Mandated - Other	782,600	632,600	0	632,600	482,600	4,000,000	4,482,600
Information Technology Services	1,559,200	1,730,400	0	1,730,400	1,202,900	842,800	2,045,700
Purchasing	1,262,900	1,476,600	0	1,476,600	1,400,500	86,800	1,487,300
Parental Defense	0	239,000	0	239,000	239,000	9,100	248,100
Transfer Appropriations to Other Funds	(782,600)	(482,600)	0	(482,600)	(482,600)	(4,000,000)	(4,482,600)
<i>Subtotal Administrative Services</i>	<i>19,597,400</i>	<i>23,245,000</i>	<i>50,000</i>	<i>23,295,000</i>	<i>22,053,700</i>	<i>2,168,100</i>	<i>24,221,800</i>
Capital Preservation Board							
Operations	2,588,200	2,591,000	120,000	2,711,000	2,606,100	164,300	2,770,400
<i>Subtotal Capital Preserv. Board</i>	<i>2,588,200</i>	<i>2,591,000</i>	<i>120,000</i>	<i>2,711,000</i>	<i>2,606,100</i>	<i>164,300</i>	<i>2,770,400</i>
Total Budget	\$21,985,600	\$25,836,000	\$170,000	\$26,006,000	\$24,659,800	\$2,332,400	\$26,992,200
% Change from Authorized FY 2005 to Total FY 2006							45%
FTE Positions	--	201.0	0.0	201.0	201.0	5.0	206.0

ADMINISTRATIVE SERVICES

Capital Budget

Governor Walker's Recommendations							
	Actual FY 2004	Authorized FY 2005	Supple- ments	Recommended FY 2005	Base FY 2006	Ongoing and One-time Adj.	Total FY 2006
Plan of Financing							
General Fund	\$23,384,700	\$28,516,900	\$21,867,000	\$30,383,900	\$26,976,900	\$0	\$26,976,900
School Funds	17,000,000	17,000,000	0	17,000,000	17,000,000	8,134,700	25,134,700
Transportation Fund	0	0	0	0	0	1,520,300	1,520,300
Federal Funds	0	1,500,000	1,270,000	2,770,000	0	6,528,000	6,528,000
Dedicated Credits	4,200,000	0	0	0	0	0	0
Restricted and Trust Funds	0	3,051,000	2,484,000	5,535,000	0	688,000	688,000
FY 2006 General Obligation Bond	0	0	0	0	0	0	0
FY 2006 Revenue Bond or Lease Purch.	0	0	0	0	0	0	0
Total Financing	\$44,584,700	\$50,067,900	\$25,621,000	\$75,688,900	\$43,976,900	\$16,871,200	\$60,848,100
Projects							
Statewide capital improvements	\$38,514,700	\$43,976,900	80	\$43,976,900	\$43,976,900	\$9,655,200	\$53,632,100
Corrections - Promontory bond payment	1,870,000	0	0	0	0	0	0
CFB - Capital restoration	4,200,000	0	0	0	0	0	0
Corrections - capital improvements	0	1,500,000	0	1,500,000	0	0	0
Corrections - inmate training facilities	0	1,540,000	0	1,540,000	0	0	0
DNR - Cabin County land	0	250,000	0	250,000	0	0	0
DWS - Logan Employment Center	0	2,801,000	0	2,801,000	0	0	0
DABC - new downtown SLC wine store	0	0	0	0	0	0	0
DABC - new St. George store	0	0	0	0	0	0	0
DABC - new southwest SL County store	0	0	0	0	0	0	0
DNR - Logan fisheries experiment station	0	0	0	0	0	688,000	688,000
Nat. Grd. - 8.5th Civil Team Readiness Ctr.	0	0	0	0	0	2,068,000	2,068,000
Nat. Grd. - Joint Forces Hqtrs. addition	0	0	0	0	0	1,460,000	1,460,000
Nat. Grd. - 117th/120th Readiness Center	0	0	0	0	0	1,500,000	1,500,000
Nat. Grd. - Special Forces Amory add.	0	0	0	0	0	1,500,000	1,500,000
Corrections - CUCF 288 bed facility	0	0	14,600,000	14,600,000	0	0	0
Courts - Provo land purchase	0	0	225,000	225,000	0	0	0
DFCM - Richfield Regional Center	0	0	7,527,000	7,527,000	0	0	0
DHS - Developmental Center housing	0	0	2,575,000	2,575,000	0	0	0
DNR - Fire Management Service facility	0	0	694,000	694,000	0	0	0
Total Budget	\$44,584,700	\$50,067,900	\$25,621,000	\$75,688,900	\$43,976,900	\$16,871,200	\$60,848,100
% Change from Authorized FY 2005 to Total FY 2006							21.5 %

Capital facility projects (except for Higher Education, Public Education and Transportation) are included in the Administrative Services budget because they are administered by the Division of Facilities Construction and Management, a division of the Department of Administrative Services.

ADMINISTRATIVE SERVICES

ADMINISTRATIVE SERVICES FY 2006 OPERATING BUDGET							
	General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget							
A1 FY 2005 appropriate budget	\$11,890,500	\$0	\$450,000	\$2,377,100	\$5,479,100	\$1,003,400	\$21,200,100
A2 Adjustments for one-time FY 2005 appropriations	(75,300)	0	0	(5,100)	(21,100)	0	(101,500)
A3 Adjustments to funding levels	0	0	0	133,500	0	821,600	955,100
Total Beginning Base Budget - Administrative Services	11,815,200	0	450,000	2,505,500	5,458,000	1,825,000	22,053,700
Statewide Ongoing Adjustments							
A4 Internal service fund adjustments	15,200	0	0	700	2,100	0	18,000
A5 Cost-of-living adjustments of 3%	249,600	0	0	23,400	82,800	0	355,800
A6 Market comparability adjustments	305,700	0	0	43,400	10,700	0	359,800
A7 Insurance rate adjustments	135,600	0	0	12,200	41,700	0	189,500
<i>Subtotal Statewide Ongoing Adjustments - Admin. Services</i>	<i>706,100</i>	<i>0</i>	<i>0</i>	<i>79,700</i>	<i>137,500</i>	<i>0</i>	<i>923,300</i>
Ongoing Adjustments							
A8 Restore General Fund replaced by Capital Projects Fund in FY 2003	1,100,000	0	0	0	(1,100,000)	0	0
A9 Continue project director position reduction made in FY 2005	0	0	0	0	(87,400)	87,400	0
A10 Move CAD program from an ISF to an appropriated program	0	0	0	0	124,000	0	124,000
A11 New Archives FTE to digitize records	43,000	0	0	0	0	0	43,000
A12 New Administrative Rules Editor	55,000	0	0	0	0	0	55,000
A13 Annual actuary study for other post employment benefits (OPEB)	25,000	0	0	0	0	0	25,000
A14 Funding for UWINDmailink	755,000	0	0	0	0	0	755,000
<i>Subtotal Ongoing Adjustments - Administrative Services</i>	<i>1,978,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(1,063,400)</i>	<i>87,400</i>	<i>1,002,000</i>
One-time Adjustments							
A15 Develop model plan for electronic records management	68,000	0	0	0	0	0	68,000
A16 Computer, digitizing, and software equipment	100,000	0	0	0	0	0	100,000
A17 Study to update eRulemaking	75,000	0	0	0	0	0	75,000
A18 Increase funds to Le Roy McAllister Critical Land Conservation Fund	4,000,000	0	0	0	0	(4,000,000)	0
<i>Subtotal One-time Adjustments - Administrative Services</i>	<i>4,283,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(4,000,000)</i>	<i>283,000</i>
Total FY 2006 Administrative Services Adjustments	6,927,100	0	0	79,700	(926,100)	(3,912,600)	2,168,100
Total FY 2006 Administrative Services Operating Budget	\$18,742,300	\$0	\$450,000	\$2,585,200	\$4,531,900	(\$2,087,600)	\$24,221,800
ADMINISTRATIVE SERVICES FY 2005 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
A19 Actuary study for OPEB	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
<i>Subtotal Supplemental Adjustments - Administrative Services</i>	<i>50,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>50,000</i>
Total FY 2005 Administrative Services Budget Adjustments	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000

ADMINISTRATIVE SERVICES - CONTINUED

ADMINISTRATIVE SERVICES FY 2006 CAPITAL BUDGET							
	General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Base Budget							
A20 FY 2005 appropriated budget	\$28,516,900	\$7,000,000	\$0	\$0	\$3,051,000	\$2,200,000	\$50,767,900
A21 Adjustments for one-time FY 2005 appropriations	(1,540,000)	0	0	0	(3,051,000)	(2,200,000)	(6,791,000)
Total FY 2006 Admin. Services Capital Base Budget	26,976,900	17,000,000	0	0	0	0	43,976,900
Ongoing Adjustments							
A22 Increase capital improvement funds mandated by statute	0	8,134,700	1,520,500	0	0	0	9,655,200
Subtotal Ongoing Capital Adjustments - Admin. Services	0	8,134,700	1,520,500	0	0	0	9,655,200
One-time Adjustments							
A23 DNR - Logan fisheries experiment station tech services building	0	0	0	0	688,000	0	688,000
A24 National Guard - 8th Civil Support Team Readiness Center	0	0	0	0	0	2,068,000	2,068,000
A25 National Guard - Joint Forces Headquarters addition	0	0	0	0	0	1,460,000	1,460,000
A26 National Guard - 117th Unit Det/120th QM Det Readiness Center	0	0	0	0	0	1,500,000	1,500,000
A27 National Guard - 19th Special Forces Armory addition	0	0	0	0	0	1,500,000	1,500,000
Subtotal One-time Capital Adjustments - Admin. Services	0	0	0	0	688,000	6,528,000	7,216,000
Total FY 2006 Admin. Services Capital Adjustments	0	8,134,700	1,520,500	0	688,000	6,528,000	16,871,200
Total FY 2006 Administrative Services Capital Budget	\$26,976,900	\$5,134,700	\$1,520,500	\$0	\$688,000	\$6,528,000	\$60,848,100
ADMINISTRATIVE SERVICES FY 2005 CAPITAL BUDGET ADJUSTMENTS							
Supplemental Adjustments							
A28 Corrections - CUCF 288 bed facility	\$13,330,000	\$0	\$0	\$0	\$0	\$1,270,000	\$14,600,000
A29 Courts - land purchase for Provo Juvenile Court	225,000	0	0	0	0	0	225,000
A30 DFCM - Richfield Regional Center	5,043,000	0	0	0	2,484,000	0	7,527,000
A31 DHS - Developmental Center housing	2,575,000	0	0	0	0	0	2,575,000
A32 DNR - Fire Management Service facility	694,000	0	0	0	0	0	694,000
Subtotal Supplemental Capital Adjustments - Admin. Services	21,867,000	0	0	0	2,484,000	1,270,000	25,621,000
Total FY 2005 Administrative Services Capital Adjustments	\$21,867,000	\$0	\$0	\$0	\$2,484,000	\$1,270,000	\$25,621,000
CAPITAL PRESERVATION BOARD FY 2006 OPERATING BUDGET							
Beginning Base Budget							
A33 FY 2005 appropriated budget	\$2,177,800	\$0	\$0	\$228,900	\$0	\$141,400	\$2,547,000
A34 Adjustments for one-time FY 2005 appropriations	(1,500)	0	0	0	0	0	(1,500)
A35 Adjustments to funding levels	0	0	0	60,600	0	0	60,600
Total Beginning Base Budget - Capital Preservation Bd.	2,175,800	0	0	289,500	0	141,400	2,606,100

ADMINISTRATIVE SERVICES - CONTINUED

	General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Statewide Ongoing Adjustments							
A36 Cost-of-living adjustments of 3%	4,500	0	0	0	0	0	4,500
A37 Market comparability adjustments	2,300	0	0	0	0	0	2,300
A38 Insurance rate adjustments	2,400	0	0	0	0	0	2,400
Subtotal Statewide Ongoing Adjustments - Cap. Pres. Bnd	9,200	0	0	0	0	0	9,200
Ongoing Adjustments							
A39 DFCM O&M rate	120,000	0	0	0	0	0	120,000
A40 Secretary	35,100	0	0	0	0	0	35,100
Subtotal Ongoing Adjustments - Capital Preserv. Board	255,100	0	0	0	0	0	255,100
Total FY 2006 Capital Preservation Board Adjustments	164,300	0	0	0	0	0	164,300
Total FY 2006 Capital Preservation Board Operating Budget	\$2,340,100	\$0	\$0	\$288,900	\$0	\$141,400	\$2,770,400
CAPITOL PRESERVATION BOARD FY 2005 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
A42 DFCM O&M rate	\$120,000	\$0	\$0	\$0	\$0	\$0	\$120,000
Subtotal Supplemental Adjustments - Capital Preservation Bnd	220,000	0	0	0	0	0	220,000
Total FY 2005 Capital Preservation Board Budget Adjustments	\$120,000	\$0	\$0	\$0	\$0	\$0	\$120,000
ADMINISTRATIVE SERVICES TOTALS							
FY 2006 Operating Base Budget	\$13,991,000	\$0	\$450,000	\$2,794,400	\$5,458,000	\$1,966,400	\$24,659,800
FY 2006 Operating Ongoing and One-time Adjustments	7,091,400	0	0	79,700	(926,100)	(3,912,600)	2,332,400
FY 2006 Operating Recommendation	21,082,400	0	450,000	2,874,100	4,531,900	(1,946,200)	26,992,200
FY 2005 Operating Adjustments	170,000	0	0	0	0	0	170,000
FY 2006 Capital Base Budget	26,976,900	17,000,000	0	0	0	0	43,976,900
FY 2006 Capital Ongoing and One-time Adjustments	0	8,134,700	1,520,500	0	688,000	6,528,000	16,871,200
FY 2006 Capital Recommendation	26,976,900	25,134,700	1,520,500	0	688,000	6,528,000	60,848,100
FY 2005 Capital Adjustments	21,867,000	0	0	0	2,484,000	1,270,000	25,621,000



COMMERCE AND REVENUE

Dan Frei, Analyst

Where Will My Taxes and Fees Go for Commerce and Revenue?

(Figure Based on Total FY 2006 Funding)

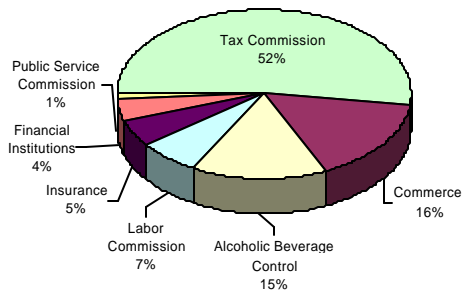


Figure excludes Workforce Services and enterprise funds.

Highlighted Services

(Including the Governor's Recommendations)

\$70 million for the Tax Commission

- Collects \$4.9 billion in revenue from over 40 various tax types

\$22 million for the Department of Commerce

- Licenses over 260,000 occupational and professional licensees in 76 classifications
- Registers over 500,000 Utah businesses

\$21 million for Alcoholic Beverage Control

- Regulates and operates the retail sales of \$170 million in alcoholic beverages throughout Utah

\$7 million for the Insurance Commission

- Regulates 1,440 licensed insurers and 48,000 licensed agents with annual premiums exceeding \$7.9 billion

\$5 million for Financial Institutions

- Monitors 120 depository institutions with assets totaling \$115 billion

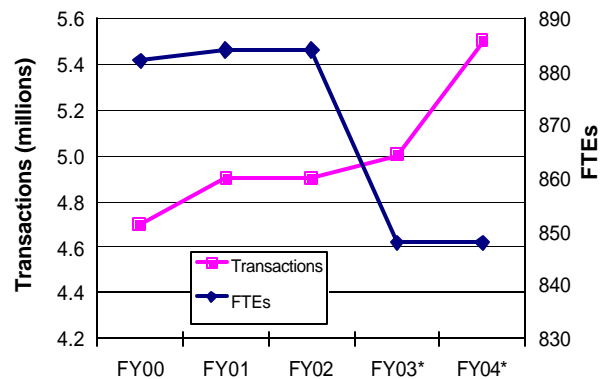
\$2 million for the Public Service Commission

- Regulates 154 utility companies with gross intrastate revenues exceeding \$2.4 billion

\$293 million for Workforce Services

- Provides employment and support services to over 260,000 Utah residents

Efficiency in Tax Processing



*Some transactions in FY 2003 overlapped into FY 2004.

Governor's Recommendation Highlights (All Funding Sources)

Comprehensive Health Insurance Pool

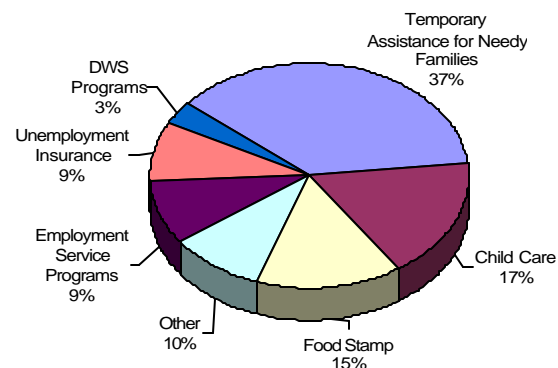
- \$10 million - Subsidy for uninsurable individuals

Workforce Services

- \$2.4 million - General Assistance caseload growth
- \$0.9 million - Food Stamp caseload increase

Where Will My Taxes Go For Workforce Services?

(Figure Based on Total FY 2006 Funding)



The Unemployment Insurance and Food Stamp programs do not include benefit payments.

BUDGET OVERVIEW

Commerce and revenue agencies encourage employment, provide temporary assistance, collect taxes, and maintain an appropriate balance between business development and regulation. These agencies include the Labor, Public Service, and Tax commissions and the departments of Alcoholic Beverage Control, Commerce, Financial Institutions, Insurance, and Workforce Services (DWS).

For FY 2006 the governor recommends that these agencies receive \$475,223,500 in total funds. This includes \$126,996,100 in state funds (General Fund and Uniform School Fund), a 1.5 percent increase from the FY 2005 authorized state funds amount. DWS and the Tax Commission are the two largest commerce and revenue agencies. DWS, which comprises approximately 62 percent of total funds, provides employment and support services to over 260,000 people. The Tax Commission, which comprises approximately 15 percent of total funds, collects over \$4.9 billion in state and local revenue.

In addition to funding health and dental increases, the FY 2006 recommended appropriation includes \$3,180,000 in state funds (\$9,178,100 in total funds) to provide commerce and revenue agencies with a 3.0 percent cost-of-living salary adjustment and market comparability adjustments. Although employees were given a slight increase for FY 2005, no increases were given in FY 2003 or FY 2004. As a result, some employees' salaries have lagged significantly behind the general job market. For instance, the Labor Commission reports difficulty recruiting and keeping administrative law judges as higher salaries are available in the private sector. Another department, Alcoholic Beverage Control, reports that salaries for retail sales clerks are among the lowest in the nation.

GOVERNOR'S RECOMMENDATIONS

Alcoholic Beverage Control

Other Funds

- Provide \$420,000 in ongoing restricted funds for 12 full-time equivalent positions to staff three new stores.

Insurance

General Fund

- Appropriate \$5,000,000 in ongoing funds and \$5,000,000 in one-time funds for the Comprehensive Health Insurance Pool, which provides health insurance for uninsurable individuals.

Tax Commission

Other Funds

- Increase the Liquor Profit Distribution per Section 59-15-109, UCA, by \$608,100 and increase the distribution based on the intent of SB 153, *Alcohol Beverage Amendments* (Valentine), 2003 General Session, by \$700,000.

Workforce Services

General Fund

- Provide \$945,200 in one-time funding for Food Stamp caseload increases.
- Provide \$2,424,300 in one-time funding for caseload growth in General Assistance.
- Appropriate \$1,500,600 in ongoing General Fund and \$3,799,400 in matching federal funds to replace Temporary Assistance for Needy Families funds in the Child Care program.

FY 2005 PROPOSED LEGISLATIVE INTENT

Insurance

- If funds are available, the department is authorized to not lapse up to \$120,000 for computer equipment and software and up to \$10,000 for employee training and incentives.

Labor Commission

- If funds are available, the commission is authorized to not lapse up to \$50,000 for computer equipment and software.

- The commission is allowed to carry over funds dedicated to Work Place Safety grants and media campaigns until contracts are completed.

Public Service Commission

- Funds appropriated to the commission are non-lapsing.

Tax Commission

- The commission may carry forward unexpended funds related to implementing Streamlined Sales Tax legislation.

Workforce Services

- The \$3,000,000 appropriation for FY 2005 from General Fund Restricted – Special Administrative Expense for the electronic Resource Eligibility Project (e-REP) is non-lapsing through the completion of the e-REP project.

FY 2006 PROPOSED LEGISLATIVE INTENT

Commerce

- Funds for the Division of Public Utilities - Professional and Technical Services are non-lapsing.
- Funds for the Committee of Consumer Services - Professional and Technical Services are nonlapsing.
- Funds for the Committee of Consumer Services lapse to the committee's Professional and Technical Services Fund.

Labor Commission

- Fees collected from sponsoring and holding seminars are nonlapsing.
- If funds are available, the commission is authorized to not lapse up to \$50,000 for computer equipment and software.
- The commission is allowed to carry over funds dedicated to Work Place Safety grants and media campaigns until contracts are completed.

Public Service Commission

- Funds appropriated to the commission are non-lapsing.

Tax Commission

- The commission may carry forward unexpended year-end balances for costs directly related to the modernization of the tax and motor vehicle systems and business processes.
- The commission may carry forward unexpended funds related to implementing Streamlined Sales Tax legislation.

Workforce Services

- Funds appropriated to DWS are nonlapsing.
- The \$2,160,000 in funds appropriated from the Unemployment Compensation Trust come from the March 13, 2002 Reed Act distribution and are to be used for employment service administration, consistent with Section 903(d) of the federal Social Security Act.

COMMERCE AND REVENUE

Operating Budget

Governor Walker's Recommendations							
	Actual FY 2004	Authorized FY 2005	Supple- mentals	Recommended FY 2005	Base FY 2006	Ongoing and One-time Adj.	Total FY 2006
Plan of Financing							
General Fund	\$90,897,900	\$107,642,700	\$73,600	\$107,716,300	\$90,297,700	\$18,529,400	\$108,827,100
School Funds	16,761,000	17,430,500	0	17,430,500	17,287,600	881,400	18,169,000
Transportation Fund	5,857,400	5,857,400	0	5,857,400	5,857,400	0	5,857,400
Federal Funds	220,989,700	223,518,400	23,600	223,542,000	214,671,000	7,374,300	222,045,300
Dedicated Credits	18,070,300	18,468,300	0	18,468,300	18,133,900	265,400	18,399,300
Restricted and Trust Funds	74,163,400	86,075,600	201,400	86,277,000	87,706,200	5,677,500	93,383,700
Transfers	3,899,600	7,415,600	0	7,415,600	6,349,800	127,100	6,476,900
Pass-through Funds	38,600	75,200	0	75,200	75,200	0	75,200
Beginning Balances	22,710,900	20,704,200	0	20,704,200	23,597,300	0	23,597,300
Closing Balances	(20,704,200)	(23,597,300)	0	(23,597,300)	(21,606,400)	0	(21,606,400)
Lapsing Funds	(1,863,100)	(1,300)	0	(1,300)	(1,300)	0	(1,300)
Total Financing	\$430,821,500	\$463,589,300	\$298,600	\$463,887,900	\$442,368,400	\$32,855,100	\$475,223,500
Programs							
Commerce and Revenue							
Alcoholic Beverage Control	\$18,437,900	\$19,389,200	\$0	\$19,389,200	\$19,227,800	\$1,665,200	\$20,893,000
Commerce	18,172,700	21,865,000	0	21,865,000	21,402,500	1,081,800	22,484,300
Financial Institutions	4,263,800	4,704,300	0	4,704,300	4,648,500	507,000	5,155,500
Insurance	5,719,600	6,398,900	50,000	6,448,900	6,439,700	525,500	6,965,200
Health Insurance Pool	22,604,200	29,438,100	0	29,438,100	23,840,500	10,000,000	33,840,500
Labor Commission	8,997,700	8,992,600	248,600	9,241,200	8,898,500	1,168,900	10,067,400
Public Service Commission	1,556,200	1,928,400	0	1,928,400	1,674,600	66,100	1,740,700
Speech and Hearing Impaired Fund	1,521,100	1,573,400	0	1,573,400	1,586,500	0	1,586,500
Universal Telecom. Service Fund	7,212,300	7,938,800	0	7,938,800	8,180,100	0	8,180,100
Tax Commission	60,741,400	66,938,700	0	66,938,700	66,447,300	4,393,700	70,841,000
Workforce Services	281,994,600	294,421,900	0	294,421,900	280,022,400	13,446,900	293,469,300
Total Budget	\$430,821,500	\$463,589,300	\$298,600	\$463,887,900	\$442,368,400	\$32,855,100	\$475,223,500
% Change from Authorized FY 2005 to Total FY 2006							2.5%
FTE Positions	--	3,644.0	0.0	3,644.0	3,644.0	14.0	3,658.0

COMMERCE AND REVENUE

ALCOHOLIC BEVERAGE CONTROL FY 2006 OPERATING BUDGET									
	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
Beginning Base Budget									
B1 FY 2005 appropriate budget	\$0	\$0	\$0	\$0	\$19,389,200	\$0	\$19,389,200		
B2 Adjustments for one-time FY 2005 appropriations	0	0	0	0	(161,400)	0	(161,400)		
Total Beginning Base Budget - Alcoholic Beverage Control	0	0	0	0	19,227,800	0	19,227,800		
Statewide Ongoing Adjustments									
B3 Cost-of-living adjustments of 3%	0	0	0	0	282,900	0	282,900		
B4 Internal service fund adjustments	0	0	0	0	5,800	0	5,800		
B5 Market comparability adjustments	0	0	0	0	673,100	0	673,100		
B6 Insurance rate adjustments	0	0	0	0	202,500	0	202,500		
<i>Subtotal Statewide Ongoing Adj. - Alcoholic Beverage Control</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,164,300</i>	<i>0</i>	<i>1,164,300</i>		
Ongoing Adjustments									
B7 Employees for 3 new stores (12 FTEs)	0	0	0	0	420,000	0	420,000		
B8 Security guard increases	0	0	0	0	25,000	0	25,000		
B9 Package agency raise	0	0	0	0	55,900	0	55,900		
<i>Subtotal Ongoing Adjustments - Alcoholic Beverage Control</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>500,900</i>	<i>0</i>	<i>500,900</i>		
Total FY 2006 Alcoholic Beverage Control Adjustments	0	0	0	0	1,665,200	0	1,665,200		
Total FY 2006 Alcoholic Beverage Control Operating Budget	\$0	\$0	\$0	\$0	\$20,893,000	\$0	\$20,893,000		
COMMERCE FY 2006 OPERATING BUDGET									
Beginning Base Budget									
B1 FY 2005 appropriate budget	\$0	\$0	\$217,600	\$1,542,000	\$19,336,900	\$550,200	\$21,646,700		
B2 Adjustments for one-time FY 2005 appropriations	0	0	0	0	(149,200)	0	(149,200)		
B3 Adjustments to funding levels	0	0	26,800	173,400	(191,200)	(104,000)	(95,000)		
Total Beginning Base Budget - Commerce	0	0	244,400	1,715,400	18,996,500	446,200	21,402,500		
Statewide Ongoing Adjustments									
B4 Cost-of-living adjustments of 3%	0	0	4,200	2,100	364,800	0	371,100		
B5 Internal service fund adjustments	0	0	0	(100)	(14,100)	0	(14,200)		
B6 Market comparability adjustments	0	0	2,000	2,300	482,300	0	486,600		
B7 Insurance rate adjustments	0	0	1,900	1,800	234,600	0	238,300		
<i>Subtotal Statewide Ongoing Adjustments - Commerce</i>	<i>0</i>	<i>0</i>	<i>8,200</i>	<i>6,100</i>	<i>1,067,600</i>	<i>0</i>	<i>1,081,900</i>		
Total FY 2006 Commerce Adjustments	0	0	8,100	6,100	1,067,600	0	1,081,800		
Total FY 2006 Commerce Operating Budget	\$0	\$0	\$252,500	\$1,721,500	\$20,064,100	\$446,200	\$22,484,300		

COMMERCE AND REVENUE - CONTINUED

FINANCIAL INSTITUTIONS FY 2006 OPERATING BUDGET							
Beginning Base Budget							
E27	FY 2005 appropriated budget	\$0	\$0	\$0	\$0	\$4,674,300	\$0
E28	Adjustments for one-time FY 2005 appropriations	0	0	0	0	(25,800)	0
Total Beginning Base Budget - Financial Institutions		0	0	0	0	4,648,500	0
Statewide Ongoing Adjustments							
E29	Cost-of-living adjustments of 3%	0	0	0	0	108,300	0
E30	Internal service fund adjustments	0	0	0	0	6,200	0
E31	Market comparability adjustments	0	0	0	0	89,600	0
E32	Insurance rate adjustments	0	0	0	0	52,500	0
Subtotal Statewide Ongoing Adjustments - Financial Inst.		0	0	0	0	256,600	0
Ongoing Adjustments							
E23	Renegotiate office lease	0	0	0	0	117,400	0
Subtotal Ongoing Adjustments - Financial Inst.		0	0	0	0	117,400	0
One-time Adjustments							
E24	Laptop computer replacement	0	0	0	0	133,000	0
Subtotal One-time Adjustments - Financial Inst.		0	0	0	0	133,000	0
Total FY 2006 Financial Institutions Adjustments		0	0	0	0	507,000	0
Total FY 2006 Financial Institutions Operating Budget		\$0	\$0	\$0	\$0	\$5,155,500	\$0
INSURANCE FY 2006 OPERATING BUDGET							
Beginning Base Budget							
E25	FY 2005 appropriated budget	\$4,403,200	\$0	\$0	\$1,848,600	\$22,100	(\$2,200)
E26	Adjustments for one-time FY 2005 appropriations	(91,600)	0	0	(5,700)	0	0
E27	Adjustments to funding levels	0	0	0	75,100	0	190,200
Total Beginning Base Budget - Insurance		4,311,600	0	0	1,918,000	22,100	188,000
Statewide Ongoing Adjustments							
E28	Cost-of-living adjustments of 3%	104,400	0	0	18,600	0	0
E29	Internal service fund adjustments	(1,200)	0	0	(800)	0	0
E30	Market comparability adjustments	112,200	0	0	25,700	0	0
E31	Insurance rate adjustments	69,800	0	0	12,300	0	0
Subtotal Statewide Ongoing Adjustments - Insurance		285,200	0	0	55,800	0	0
Ongoing Adjustments							
E32	Annual software upgrade and maintenance agreement	57,500	0	0	0	0	0
E33	Enterprise Content Management System maintenance	16,000	0	0	0	0	0
E34	Market Analyst (1 FTE)	61,000	0	0	0	0	0
Subtotal Ongoing Adjustments - Insurance		134,500	0	0	0	0	0

COMMERCE AND REVENUE - CONTINUED

One-time Adjustments		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
2835	Enterprise Content Management System	50,000	0	0	0	0	0	50,000
	<i>Subtotal One-time Adjustments - Insurance</i>	50,000	0	0	0	0	0	50,000
	Total FY 2006 Insurance Adjustments	469,700	0	0	55,800	0	0	525,500
	Total FY 2006 Insurance Operating Budget	\$4,781,300	\$0	\$0	\$1,973,800	\$22,100	\$188,000	\$6,965,200
INSURANCE FY 2005 OPERATING BUDGET ADJUSTMENTS								
Supplemental Adjustments								
2836	Enterprise Content Management System	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
	<i>Subtotal Supplemental Adjustments - Insurance</i>	50,000	0	0	0	0	0	50,000
	Total FY 2005 Insurance Budget Adjustments	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
LABOR COMMISSION FY 2006 OPERATING BUDGET								
Beginning Base Budget								
2837	FY 2005 appropriate budget	\$4,687,500	\$0	\$2,381,500	\$0	\$1,845,600	\$25,000	\$8,939,600
2838	Adjustments for one-time FY 2005 appropriations	(30,200)	0	(17,900)	0	(11,000)	0	(59,100)
2839	Adjustments to funding levels	0	0	18,000	0	0	0	18,000
	Total Beginning Base Budget - Labor Commission	4,657,300	0	2,363,600	0	1,834,600	25,000	8,898,500
Statewide Ongoing Adjustments								
2840	Cost-of-living adjustments of 3%	131,700	0	31,500	0	31,200	600	195,000
2841	Internal service fund adjustments	(10,200)	0	(2,000)	0	100	0	(12,100)
2842	Market comparability adjustments	202,800	0	99,900	0	51,000	1,100	354,800
2843	Insurance rate adjustments	76,000	0	18,700	0	19,100	0	113,800
	<i>Subtotal Statewide Ongoing Adjustments - Labor Commission</i>	400,300	0	148,100	0	101,400	1,700	651,500
Ongoing Adjustments								
2844	Attorney General charges	23,600	0	23,600	0	0	0	47,200
2845	Utah SH Safety & Health Officer (1 FTE)	33,700	0	33,700	0	0	0	67,400
2846	Work Place Safety media program and safety grants	0	0	0	0	402,800	0	402,800
	<i>Subtotal Ongoing Adjustments - Labor Commission</i>	57,300	0	57,300	0	402,800	0	517,400
	Total FY 2006 Labor Commission Adjustments	457,600	0	205,400	0	504,200	1,700	1,168,900
	Total FY 2006 Labor Commission Operating Budget	\$5,114,900	\$0	\$2,587,000	\$0	\$2,338,800	\$26,700	\$10,067,400
LABOR COMMISSION FY 2005 OPERATING BUDGET ADJUSTMENTS								
Supplemental Adjustments								
2847	Attorney General charges	\$23,600	\$0	\$23,600	\$0	\$0	\$0	\$47,200
2848	Work Place Safety media program and safety grants	0	0	0	0	201,400	0	201,400
	<i>Subtotal Supplemental Adjustments - Labor Commission</i>	23,600	0	23,600	0	201,400	0	248,600
	Total FY 2005 Labor Commission Budget Adjustments	\$23,600	\$0	\$23,600	\$0	\$201,400	\$0	\$248,600

COMMERCE AND REVENUE - CONTINUED

PUBLIC SERVICE COMMISSION FY 2006 OPERATING BUDGET									
	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
Beginning Base Budget									
2549 FY 2005 appropriate budget	\$0	\$0	\$0	\$121,200	\$1,561,700	\$0	\$1,682,900		
2550 Adjustments for one-time FY 2005 appropriations	0	0	0	0	(8,800)	0	(8,800)		
2551 Adjustments to funding levels	0	0	0	500	0	0	500		
Total Beginning Base Budget - Public Service Commission	0	0	0	121,700	1,552,900	0	1,674,600		
Statewide Ongoing Adjustments									
2552 Cost-of-living adjustments of 3%	0	0	0	0	38,100	0	38,100		
2553 Internal service fund adjustments	0	0	0	0	1,400	0	1,400		
2554 Market comparability adjustments	0	0	0	0	10,700	0	10,700		
2555 Insurance rate adjustments	0	0	0	0	15,900	0	15,900		
<i>Subtotal Statewide Ongoing Adjustments - PSC</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>66,100</i>	<i>0</i>	<i>66,100</i>		
Total FY 2006 Public Service Commission Adjustments	0	0	0	0	66,100	0	66,100		
Total FY 2006 Public Service Commission Operating Budget	\$0	\$0	\$0	\$121,700	\$1,619,000	\$0	\$1,740,700		
TAX COMMISSION FY 2006 OPERATING BUDGET									
Beginning Base Budget									
2556 FY 2005 appropriate budget	\$38,402,300	\$5,857,400	\$455,600	\$11,875,100	\$10,399,500	\$2,007,900	\$68,997,800		
2557 Adjustments for one-time FY 2005 appropriations	(379,300)	0	0	0	(63,300)	0	(442,600)		
2558 Adjustments to funding levels	0	0	(23,600)	(1,418,300)	0	(666,000)	(2,107,900)		
Total Beginning Base Budget - Tax Commission	38,023,000	5,857,400	432,000	10,456,800	10,336,200	1,341,900	66,447,300		
Statewide Ongoing Adjustments									
2559 Cost-of-living adjustments of 3%	913,200	0	0	36,600	175,800	0	1,125,600		
2560 Internal service fund adjustments	(8,500)	0	0	4,100	(5,900)	500	(9,800)		
2561 Market comparability adjustments	945,400	0	0	39,000	186,100	0	1,170,500		
2562 Insurance rate adjustments	648,000	0	0	31,600	119,700	0	799,300		
<i>Subtotal Statewide Ongoing Adjustments - Tax Commission</i>	<i>2,498,100</i>	<i>0</i>	<i>0</i>	<i>111,300</i>	<i>475,700</i>	<i>500</i>	<i>3,085,600</i>		
Ongoing Adjustments									
2563 Liquor Profit Distribution per UCA 59-15-109	0	0	0	0	1,308,100	0	1,308,100		
<i>Subtotal Ongoing Adjustments - Tax Commission</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,308,100</i>	<i>0</i>	<i>1,308,100</i>		
Total FY 2006 Tax Commission Adjustments	2,498,100	0	0	111,300	1,783,800	500	4,393,700		
Total FY 2006 Tax Commission Operating Budget	\$40,521,100	\$5,857,400	\$432,000	\$10,568,100	\$12,120,000	\$1,342,400	\$70,841,000		

COMMERCE AND REVENUE - CONTINUED

WORKFORCE SERVICES FY 2006 OPERATING BUDGET							
	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget							
264 FY 2005 appropriated budget	\$61,376,300	\$0	\$203,666,200	\$2,746,800	\$5,160,000	\$2,763,800	\$275,913,100
265 Adjustments for one-time FY 2005 appropriations	(7,108,600)	0	(952,800)	0	(3,000,000)	0	(11,061,400)
266 Transfer Commissions on Women/Marriage from Gov/DHS	121,800	0	0	0	0	0	121,800
267 Adjustments to funding level	0	0	8,899,600	(211,700)	0	6,561,000	15,248,900
Total Beginning Base Budget - Workforce Services	54,389,500	0	211,613,000	2,535,100	2,160,000	9,324,800	280,022,400
Statewide Ongoing Adjustments							
268 Cost-of-living adjustments of 3%	563,700	0	2,117,700	47,400	44,700	61,200	2,834,700
269 Internal service fund adjustments	(55,600)	0	(214,600)	(3,300)	(4,700)	(7,500)	(285,700)
270 Market comparability adjustments	206,600	0	913,400	15,400	9,800	31,000	1,176,200
271 Insurance rate adjustments	400,600	0	1,490,100	32,700	33,800	40,200	1,997,400
<i>Subtotal Statewide Ongoing Adjustments - Workforce Services</i>	<i>1,115,300</i>	<i>0</i>	<i>4,306,600</i>	<i>92,200</i>	<i>83,600</i>	<i>124,900</i>	<i>5,722,600</i>
Ongoing Adjustments							
272 Child Care matching funds	1,500,600	0	3,799,400	0	0	0	5,300,000
<i>Subtotal Ongoing Adjustments Workforce Services</i>	<i>1,500,600</i>	<i>0</i>	<i>3,799,400</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,300,000</i>
One-time Adjustments							
273 General Assistance caseload growth	2,424,300	0	0	0	0	0	2,424,300
274 Food Stamp caseload increase	945,200	0	(945,200)	0	0	0	0
<i>Subtotal One-time Adjustments - Workforce Services</i>	<i>3,369,500</i>	<i>0</i>	<i>(945,200)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,424,300</i>
Total FY 2006 Workforce Services Adjustments	5,985,400	0	7,160,800	92,200	83,600	124,900	13,446,900
Total FY 2006 Workforce Services Operating Budget	\$60,374,900	\$0	\$218,773,800	\$2,627,300	\$2,243,600	\$9,449,700	\$293,469,300
COMPREHENSIVE HEALTH INSURANCE POOL FY 2005 OPERATING BUDGET							
Beginning Base Budget							
275 FY 2005 appropriated budget	\$16,203,900	\$0	\$0	\$0	\$17,725,500	\$9,999,000	\$43,928,400
276 Adjustments for one-time FY 2005 appropriations	(10,000,000)	0	0	0	0	0	(10,000,000)
277 Adjustments to funding level	0	0	0	0	2,956,400	(13,044,300)	(10,087,900)
Total Beginning Base Budget - Comp. Health Ins. Pool	6,203,900	0	0	0	20,681,900	(3,045,300)	23,840,500
Ongoing Adjustments							
278 General Fund subsidy	5,000,000	0	0	0	0	0	5,000,000
<i>Subtotal Ongoing Adjustments - Comp. Health Ins. Pool</i>	<i>5,000,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,000,000</i>

COMMERCE AND REVENUE - CONTINUED

		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
One-time Adjustments								
2879	General Fund subsidy	5,000,000	0	0	0	0	0	5,000,000
<i>Subtotal One-time Adjustments - Comp. Health Ins. Pool</i>		5,000,000	0	0	0	0	0	5,000,000
Total FY 2006 Comp. Health Ins. Pool Adjustments		10,000,000	0	0	0	0	0	10,000,000
Total FY 2006 Comp. Health Insurance Pool Operating Budget		\$16,203,900	\$0	\$0	\$0	\$20,681,900	(\$3,045,300)	\$33,840,500
SPEECH AND HEARING IMPAIRED FUND FY 2006 OPERATING BUDGET								
Beginning Base Budget								
280	FY 2005 appropriated budget	\$0	\$0	\$0	\$1,246,500	\$0	\$416,400	\$1,662,900
281	Adjustments to funding levels	0	0	0	140,400	0	(216,800)	(76,400)
Total Beginning Base Budget - Speech/Hearing Impaired		0	0	0	1,386,900	0	199,600	1,586,500
Total FY 2006 Speech and Hearing Impaired Operating Budget		\$0	\$0	\$0	\$1,386,900	\$0	\$199,600	\$1,586,500
UNIVERSAL TELECOMMUNICATIONS SERVICE SUPPORT FUND FY 2006 OPERATING BUDGET								
Beginning Base Budget								
282	FY 2005 appropriated budget	\$0	\$0	\$0	\$0	\$9,048,900	(\$170,100)	\$8,878,800
283	Adjustments to funding levels	0	0	0	0	(803,200)	104,500	(698,700)
Total Beginning Base Budget - Universal Telecom.		0	0	0	0	8,245,700	(65,600)	\$8,180,100
Total FY 2006 Universal Telecommunications Operating Budget		\$0	\$0	\$0	\$0	\$8,245,700	(\$65,600)	\$8,180,100
COMMERCE AND REVENUE TOTALS								
FY 2006 Operating Base Budget		\$107,585,300	\$5,857,400	\$214,671,000	\$18,133,900	\$87,706,200	\$8,414,600	\$442,368,400
FY 2006 Operating Ongoing and One-time Adjustments		19,410,800	0	7,374,300	265,400	5,677,500	127,100	32,855,100
FY 2006 Operating Recommendation		126,996,100	5,857,400	222,045,300	18,399,300	93,383,700	8,541,700	475,223,500
FY 2005 Operating Adjustments		73,600	0	23,600	0	201,400	0	298,600

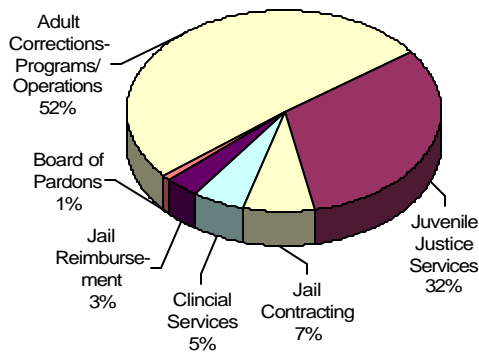


CORRECTIONS (ADULT AND JUVENILE)

David Walsh, Analyst

Where Will My Taxes Go for Corrections?

(Figure Based on Total FY 2006 Funding)



Highlighted Services

(Including the Governor's Recommendations)

\$161 million for Adult Corrections - Programs and Operations

- Incarcerates 6,400 inmates
- Supervises 14,600 offenders under probation or parole

\$101 million for Juvenile Justice Services

- Provides services for approximately 1,386 custody youth per day, including 224 juvenile offenders in secure facilities
- The Salt Lake Intensive Community Aftercare program helps residential youth maintain employment (70 percent success rate); 90 percent of the youth are either in school or in a vocational program

\$23 million for Jail Contracting

- Houses 1,518 inmates in county jails

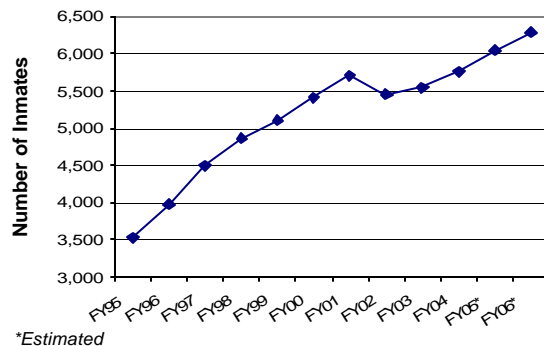
\$11 million for Jail Reimbursement

- Funds a daily average of 888 beds in county jails as a condition of probation

\$3 million for the Board of Pardons and Parole

- The five member board makes 14,100 decisions annually

Projected Adult Inmate Population Is 77% Higher Than FY 1995

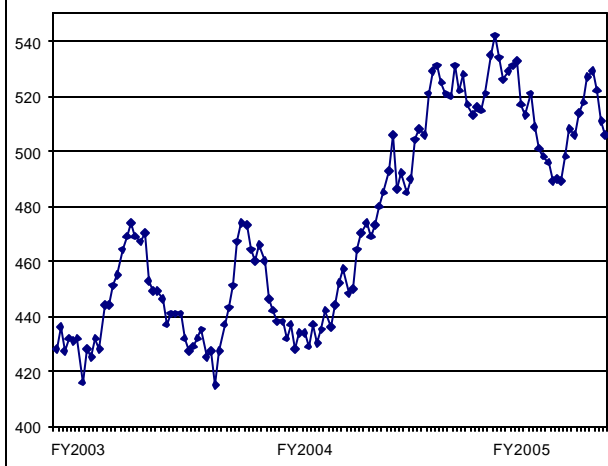


Governor's Recommendation Highlights

(All Funding Sources)

- \$10.2 million - Inmate growth
- \$2.2 million - Caseload growth for youth offenders in residential placements
- \$1.8 million - Correction treatment slots to implement the *Drug Offender Reform Act (DORA)*
- \$1.2 million - Increased services for youth offenders in Tooele and Davis counties
- \$1.1 million - Growth in jail reimbursement
- \$0.6 million - Nine probation and parole agents

Juvenile Justice Services Residential Counts Community Placements



BUDGET OVERVIEW

Corrections agencies include the Department of Corrections, the Board of Pardons and Parole, the Youth Parole Authority (YPA), and the Division of Juvenile Justice Services (formerly known as the Division of Youth Corrections). The Division of Juvenile Justice Services is a division of the Department of Human Services but is included here for budgetary purposes. These agencies protect the public, provide rehabilitation programs for young offenders, and provide adult offenders with skills training to enhance their prospects for success after release.

For FY 2006 the governor recommends that corrections agencies receive \$315,050,600 in total funds. This amount includes \$285,292,600 in General Fund, an 11.1 percent increase from the FY 2005 authorized General Fund amount. As shown in the pie chart on the previous page, the major component of the corrections budget is the Programs and Operations line item of Adult Corrections, which is projected to provide supervision for 21,000 offenders under its jurisdiction.

In addition to fully funding health and dental rate increases, the FY 2006 recommended appropriation includes \$8,279,100 in General Fund (\$8,902,700 in total funds) to provide employees with a 3.0 percent cost-of-living salary adjustment and market comparability adjustments. Although employees were given a slight increase for FY 2005, no increases were given in FY 2003 or FY 2004. During the last few years, the salaries of youth correctional counselors and adult correctional officers have lagged behind the general job market. For instance, salaries for Juvenile Justice Services counselors are 31 percent below market based on the latest salary survey conducted by the Department of Human Resource Management. In addition, the starting salary for a state correctional officer is \$11.53 per hour compared to \$14.31 per hour in Salt Lake County, a 24 percent difference. The State of Utah must compete with other county and city law enforcement salaries. After state correctional officers are trained by the Department of Corrections, many of the employees transfer to

county or city law enforcement where salaries are higher.

GOVERNOR'S RECOMMENDATIONS

Adult Corrections

General Fund

- Include \$4,380,900 in ongoing funds and \$1,305,800 in one-time funds to operate the recently reopened 300-bed dormitory at the Draper prison site. An additional \$4,477,100 in ongoing funds and \$50,000 in one-time funds are recommended to contract for 200 beds in county jails. The governor also recommends FY 2005 supplemental funding of \$920,000 for jail contracting and \$825,400 for the Draper dormitory.
- Add nine probation and parole agents to supervise felony offenders in the community at a cost of \$455,000 in ongoing funds and \$125,000 in one-time funds.
- Restore \$350,000 in ongoing General Fund to the Diagnostic Unit and reduce its allocation from the Crime Victim Reparations Trust Fund by the same amount. This partially replaces the \$750,000 shift that occurred in FY 2003 when state lawmakers were dealing with budgetary shortfalls in the General Fund.
- Include \$450,000 in ongoing funds to increase treatment resources for sex offenders.
- Provide \$1,814,700 in ongoing funds to implement the assessment and treatment provisions of the *Drug Offender Reform Act* (DORA), which will be considered for passage during the 2005 General Session. Approximately 80 percent of adult offenders have a substance abuse problem.
- Provide \$1,240,000 in ongoing funds to counties to pay for increasing the inmate core rate from \$42.32 per day to \$43.96 per day for costs associated with jail contracting and jail reimbursement.

- Add \$1,090,000 in ongoing funds to the counties to pay for costs associated with the increased growth in jail reimbursement.

Other Funds

- Increase the capital outlay to \$690,000 and authorize two additional full-time equivalent positions in FY 2006 for the data processing internal service fund.

Board of Pardons and Parole

General Fund

- Add \$105,300 in ongoing funds to hire two additional staff to assist with increased board hearings.

Juvenile Justice Services

General Fund

- Include \$1,111,600 in ongoing General Fund (\$2,237,700 in ongoing total funds) to cover the increased costs due to a rise in residential placements. An FY 2005 supplemental of \$750,000 in General Fund is also recommended to provide the necessary resources for this increase in residential placements. Residential placements for FY 2004 were up by an average of 117 youth offenders per day.
- Add \$769,400 in ongoing funds (\$1,167,700 in ongoing total funds) and \$44,200 in one-time funds to increase services in Tooele and Davis counties.
- Recommend \$255,500 in ongoing funds to replace federal grants to continue successful aftercare programs for youth offenders that transition from secure care. Results of these programs show that 76 percent of the offenders have been successful in this transition compared with 35 percent when these transition programs are not provided.
- Appropriate \$130,300 in ongoing funds and \$19,200 in one-time funds to operate the Strawberry Work Camp for female offenders.

- Recommend \$146,300 in ongoing funds to fund Juvenile Justice Services' federal share of Medicaid costs.

- Recommend a reduction of \$10,000 in FY 2005 supplemental funds for YPA. Adjustments to the base have already been made to the FY 2006 budget.

- Reduce YPA beginning nonlapsing balances with an FY 2005 negative supplemental of \$60,000. The administrator of the YPA supports this decrease in funding.

Other Funds

- Reduce the DNA specimen account in FY 2005 by \$91,000 because this account is not being used by Juvenile Justice Services. Adjustments to the base have already been made in the FY 2006 budget. This reduction should allow additional appropriations to be made from this restricted account to other criminal justice agencies.

FY 2006 PROPOSED LEGISLATIVE INTENT

Adult Corrections

- Resources may be reallocated internally to fund additional adult probation and parole agents. For every two agents hired, one vehicle may be purchased with department funds.
- Funds for Programs and Operations, Medical Services, Jail Contracting, Jail Reimbursement, and Utah Correctional Industries are non-lapsing.

Board of Pardons and Parole

- Funds for the board are nonlapsing.

Juvenile Justice Services

- Funds for the division and YPA are nonlapsing.

CORRECTIONS (ADULT AND JUVENILE)

Operating Budget

Governor Walker's Recommendations						
	Actual FY 2004	Authorized FY 2005	Supplementals	Recommended FY 2005	Base FY 2006	Ongoing and One-time Adj.
Plan of Financing						T total FY 2006
General Fund	\$245,780,600	\$256,673,900	\$2,485,400	\$259,159,300	\$254,912,400	\$30,380,200
Federal Funds	2,915,700	2,964,600	0	2,964,600	2,646,400	147,800
Dedicated Credits	5,305,200	5,561,400	0	5,561,400	5,586,400	81,100
Restricted and Trust Funds	2,584,400	2,613,400	(91,000)	2,522,400	2,522,400	(304,900)
Transfers	23,340,100	17,623,800	0	17,623,800	17,178,500	1,900,300
Beginning Balances	5,760,800	3,985,600	(60,000)	3,925,600	0	0
Closing Balances	(3,985,600)	0	0	0	0	0
Lapsing Funds	(294,800)	0	0	0	0	0
Total Financing	\$281,406,400	\$289,422,700	\$2,334,400	\$291,757,100	\$282,846,100	\$32,204,500
Programs						
Adult Corrections						
Administration	\$13,005,300	\$13,351,600	\$0	\$13,351,600	\$13,263,200	\$61,7400
Adult Probation and Parole	39,590,600	41,872,100	0	41,872,100	41,195,200	3,515,800
Institutional Operations	88,360,400	91,672,400	825,400	92,497,800	89,609,500	12,472,700
Clinical Services	16,794,000	16,605,900	0	16,605,900	16,527,300	863,400
Jail Contracting	17,766,600	18,565,800	920,000	19,485,800	18,136,200	4,708,300
Jail Reimbursement	9,515,900	9,081,000	0	9,081,000	9,081,000	1,463,200
Subtotal Adult Corrections	185,032,800	191,148,800	1,745,400	192,804,200	187,812,400	23,659,800
Board of Pardons and Parole						
Operations	2,622,800	2,885,800	0	2,885,800	2,712,100	208,500
Subtotal Board of Pardons and Parole	2,622,800	2,885,800	0	2,885,800	2,712,100	208,500
Juvenile Justice Services						
Administration	7,486,000	3,840,400	0	3,840,400	3,803,500	175,400
Early Intervention	10,301,100	11,900,500	0	11,900,500	11,677,400	828,900
Community Placements	31,108,000	31,332,300	750,000	32,082,300	29,607,500	4,817,100
Correctional Facilities	24,518,500	25,733,900	(91,000)	25,642,900	25,403,400	1,291,000
Rural Programs	20,075,600	22,232,900	0	22,232,900	21,553,700	1,222,000
Youth Parole Authority	261,600	348,100	(70,000)	278,100	276,100	21,800
Subtotal Juvenile Justice Services	93,750,800	95,388,100	589,000	95,977,100	92,321,600	8,356,200
Total Budget	\$281,406,400	\$289,422,700	\$2,334,400	\$291,757,100	\$282,846,100	\$32,204,500
% Change from Authorized FY 2005 to Total FY 2006						8.9%
FTE Positions	-	3,247.7	0.0	3,247.7	3,240.6	104.3
						3,344.9

CORRECTIONS (ADULT AND JUVENILE)

ADULT CORRECTIONS FY 2006 OPERATING BUDGET						
Beginning Base Budget						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
C1 FY 2005 appropriated budget	\$183,284,400	\$696,300	\$3,035,800	\$1,375,700	\$502,800	\$188,895,000
C2 Adjustments for one-time FY 2005 appropriations	(1,105,500)	0	(9,900)	0	0	(1,115,400)
C3 Adjustments to funding levels	0	0	(86,800)	0	119,600	32,800
Total Beginning Base Budget - Adult Corrections	182,178,900	696,300	2,939,100	1,375,700	622,400	187,812,400
Statewide Ongoing Adjustments						
C4 Cost of living adjustments of 3%	3,101,700	0	0	0	0	3,101,700
C5 Market comparability adjustments	2,489,200	0	0	0	0	2,489,200
C6 Internal service fund adjustments	(139,800)	0	0	0	0	(139,800)
C7 Insurance rate adjustments	2,165,500	0	0	0	0	2,165,500
<i>Subtotal Statewide Ongoing Adjustments - Adult Corrections</i>	<i>7,616,600</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>7,616,600</i>
Ongoing Adjustments						
C8 300 bed minimum dormitory	4,380,900	0	0	0	0	4,380,900
C9 Jail contracting expansion - 200 beds	4,477,100	0	0	0	0	4,477,100
C10 Probation and parole agents	455,000	0	0	0	0	455,000
C11 Adult probation and parole leases	217,000	0	0	0	0	217,000
C12 Restore General Fund for Crime Victim Fund	350,000	0	0	(350,000)	0	0
C13 Grant fund replacement	417,700	0	0	0	0	417,700
C14 Sex offender treatment	450,000	0	0	0	0	450,000
C15 Core rate change for jail contracting and jail reimbursement	1,240,000	0	0	0	0	1,240,000
C16 Jail reimbursement growth	1,090,000	0	0	0	0	1,090,000
C17 Drug Offender Reform Act - Corrections' portion of drug treatment	1,814,700	0	0	0	0	1,814,700
<i>Subtotal Ongoing Adjustments - Adult Corrections</i>	<i>14,892,400</i>	<i>0</i>	<i>0</i>	<i>(350,000)</i>	<i>0</i>	<i>14,542,400</i>
One-time Adjustments						
C18 300 bed minimum dormitory	1,305,800	0	0	0	0	1,305,800
C19 Jail contracting expansion - 200 beds	50,000	0	0	0	0	50,000
C20 Probation and parole agents	125,000	0	0	0	0	125,000
<i>Subtotal One-time Adjustments - Adult Corrections</i>	<i>1,480,800</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,480,800</i>
Total FY 2006 Adult Corrections Adjustments	23,989,800	0	0	(350,000)	0	23,639,800
Total FY 2006 Adult Corrections Operating Budget	\$206,168,700	\$696,300	\$2,939,100	\$1,025,700	\$622,400	\$211,452,200
ADULT CORRECTIONS FY 2005 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
C21 Jail contracting	\$920,000	\$0	\$0	\$0	\$0	\$920,000
C22 300 bed minimum dormitory	825,400	0	0	0	0	825,400
<i>Subtotal Supplemental Adjustments - Adult Corrections</i>	<i>1,745,400</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,745,400</i>
Total FY 2005 Adult Corrections Budget Adjustments	\$1,745,400	\$0	\$0	\$0	\$0	\$1,745,400

CORRECTIONS (ADULT AND JUVENILE) - CONTINUED

BOARD OF PARDONS AND PAROLE FY 2006 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget						
C23 FY 2005 appropriated budget	\$2,649,500	\$0	\$2,200	\$577,400	\$144,800	\$2,873,900
C24 Adjustments for one-time FY 2005 appropriations	(17,000)	0	0	0	0	(17,000)
C25 Adjustments to funding levels	0	0	0	0	(144,800)	(144,800)
Total Beginning Base Budget - Bd. of Pardons and Parole	2,632,500	0	2,200	77,400	0	2,712,100
Statewide Ongoing Adjustments						
C26 Cost-of-living adjustments of 3%	58,800	0	0	0	0	58,800
C27 Internal service fund adjustments	(30,500)	0	0	0	0	(30,500)
C28 Market comparability adjustments	50,400	0	0	0	0	50,400
C29 Insurance rate adjustments	24,500	0	0	0	0	24,500
<i>Subtotal Statewide Ongoing Adj. - Board of Pardons and Parole</i>	<i>103,200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>103,200</i>
Ongoing Adjustments						
C30 Hearing officer	66,400	0	0	0	0	66,400
C31 Office specialist	38,900	0	0	0	0	38,900
<i>Subtotal Ongoing Adjustments - Board of Pardons and Parole</i>	<i>105,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>105,300</i>
Total FY 2006 Board of Pardons and Parole Adjustments	208,500	0	0	0	0	208,500
Total FY 2006 Board of Pardons and Parole Operating Budget	\$2,841,000	\$0	\$2,200	\$77,400	\$0	\$2,918,600
JUVENILE JUSTICE SERVICES FY 2006 OPERATING BUDGET						
Beginning Base Budget						
C32 FY 2005 appropriated budget	\$70,740,000	\$2,220,600	\$2,810,700	\$1,160,300	\$14,784,800	\$91,716,400
C33 Adjustments for one-time FY 2005 appropriations	(629,000)	(30,300)	(5,400)	0	(600)	(665,300)
C34 Adjustments to funding levels	(10,000)	(240,200)	(160,200)	(91,000)	1,771,900	1,270,500
Total Beginning Base Budget - Juvenile Justice Services	70,101,000	1,950,100	2,645,100	1,069,300	16,556,100	92,321,600
Statewide Ongoing Adjustments						
C35 Cost-of-living adjustments of 3%	901,500	23,700	24,000	11,700	157,500	1,118,400
C36 Internal service fund adjustments	(19,200)	(800)	(500)	(100)	(3,400)	(24,900)
C37 Market comparability adjustments	1,677,500	39,200	46,600	22,600	298,300	2,084,200
C38 Insurance rate adjustments	736,600	26,300	11,000	10,900	129,200	914,000
<i>Subtotal Statewide Ongoing Adjustments - Juvenile Justice Services</i>	<i>3,296,400</i>	<i>88,400</i>	<i>81,100</i>	<i>45,100</i>	<i>582,600</i>	<i>4,092,600</i>
Ongoing Adjustments						
C39 Caseload growth impact (all programs)	1,111,600	31,100	0	0	1,095,000	2,237,700
C40 Strawberry Work Camp	130,300	0	0	0	0	130,300
C41 Tool & case management and early intervention services	331,900	28,300	0	0	0	360,200
C42 Wasatch Mental Health	75,000	0	0	0	0	75,000

CORRECTIONS (ADULT AND JUVENILE)

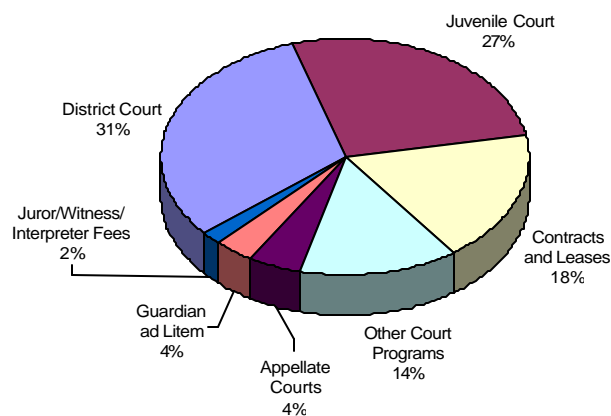
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
C93 Utah County Aftercare Program	198,000	0	0	0	0	198,000
C94 Davis County observation and assessment	437,500	0	0	0	370,000	807,500
C95 Intensive Community Aftercare Program	57,500	0	0	0	0	57,500
C96 Medicaid match rate change	146,300	0	0	0	(146,300)	0
C97 Cost-of-living adjustments for providers of 2%	334,000	0	0	0	0	334,000
Subtotal Ongoing Adjustments - Juvenile Justice Services	2,822,100	59,400	0	0	2,318,700	4,200,200
One-time Adjustments						
C98 Strawberry Work Camp	19,200	0	0	0	0	19,200
C99 Tookle case management and early intervention services	44,200	0	0	0	0	44,200
Subtotal One-time Adjustments - Juvenile Justice Services	63,400	0	0	0	0	63,400
Total FY 2006 Juvenile Justice Services Adjustments	6,181,900	147,800	\$1,100	45,100	1,900,300	\$ 356,200
Total FY 2006 Juvenile Justice Services Operating Budget	\$76,282,900	\$2,097,900	\$2,726,200	\$1,114,400	\$18,456,400	\$100,677,800
JUVENILE JUSTICE SERVICES FY 2005 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
C50 DNA Specimen Account	\$0	\$0	\$0	(\$91,000)	\$0	(\$91,000)
C51 Youth Prob. Authority reduction	(10,000)	0	0	0	(60,000)	(70,000)
C52 Caseload growth impact (all programs)	750,000	0	0	0	0	750,000
Subtotal Supplemental Adjustments - Juvenile Justice Services	740,000	0	0	(91,000)	(60,000)	589,000
Total FY 2005 Juvenile Justice Services Budget Adjustments	\$740,000	\$0	\$0	(\$91,000)	(\$60,000)	\$589,000
CORRECTIONS TOTALS						
FY 2006 Operating Base Budget	\$254,912,400	\$2,646,400	\$5,586,400	\$2,522,400	\$17,178,500	\$282,846,100
FY 2006 Operating Ongoing and One-time Adjustments	30,380,200	147,800	81,100	(304,900)	1,900,300	32,204,500
FY 2006 Operating Recommendation	285,292,600	2,794,200	5,667,500	2,217,500	19,078,800	315,050,600
FY 2005 Operating Adjustments	2,485,400	0	0	(91,000)	(60,000)	2,334,400



COURTS

David Walsh, Analyst

Where Will My Taxes Go for Courts? (Figure Based on Total FY 2006 Funding)



Highlighted Services

(Including the Governor's Recommendations)

\$37 million for District Court

- Handles 243,500 cases, including 20,100 domestic case filings

\$31 million for Juvenile Court

- Receives 48,300 juvenile court referrals
- Receives 3,900 dependency, neglect, and abuse referrals

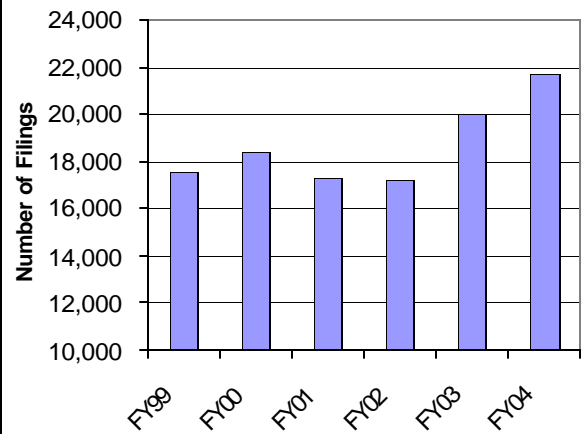
\$21 million for Contracts and Leases

- Provides funding for 54 lease facilities and courthouses

\$5 million for Appellate Courts

- Files 600 cases in the Supreme Court
- Files 900 cases in the Court of Appeals

District Court Felony Filings

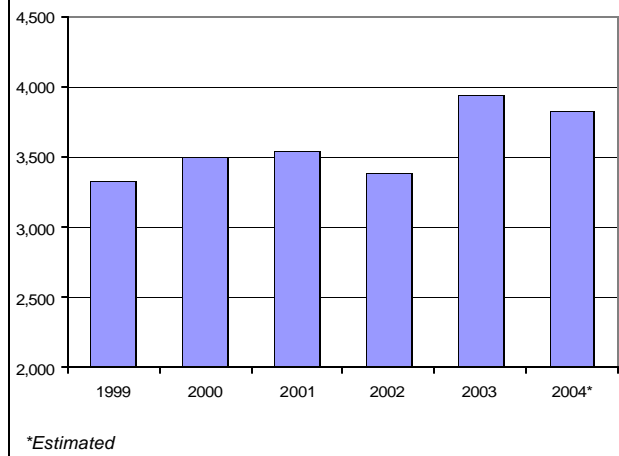


Governor's Recommendation Highlights

(All Funding Sources)

- \$1,306,800 - Increases in contract and lease expenses
- \$490,200 - District and juvenile court judge and support staff
- \$369,500 - Five law clerks to assist district court judges

Juvenile Court Child Welfare Referrals



BUDGET OVERVIEW

The judiciary is a separate and coequal branch of government which seeks to ensure equity and fairness for the people through judicial review of laws and cases. For FY 2006 the governor recommends that the courts receive \$114,728,800 in total funds. This amount includes \$99,766,600 in General Fund, a 7.7 percent increase from the FY 2005 authorized General Fund amount. As shown in the pie chart on the prior page, the two major components of the courts' budget are the District and Juvenile courts. In FY 2004 there were 243,500 District Court cases with an 8.0 percent increase in felony filings. For 2003 there were 48,300 Juvenile Court referrals, a 3.0 percent increase from the previous year.

In addition to fully funding health and dental rate increases, the FY 2006 recommended appropriation includes \$3,202,400 in General Fund (\$3,350,200 in total funds) to provide employees with a 3.0 percent cost-of-living salary adjustment and market comparability adjustments. During the last several years some employees' salaries, especially those of juvenile court probation officers, have lagged significantly behind the general job market. Currently probation officers are 38 percent below market when compared to the average in the western states region. Also, judicial salaries are now approaching the bottom quartile compared to national rankings, which directly impacts the quality of applicants for judicial office. The stagnation in judicial salaries over the past three years has contributed to a decrease in the proportion of applicants with top peer ratings from 11 percent in 2001 to 6.0 percent in 2003.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Provide an ongoing appropriation of \$893,100 for a 7.0 percent salary and benefits increase recommended by the Executive and Judicial Compensation Commission for judges.

- Add five law clerks at a cost of \$369,500 in ongoing funds to improve the quality and timeliness of judges' decisions through the use of research and analysis.
- Recommend \$490,200 in ongoing funds for one additional district judge, one juvenile court judge, and the necessary support staff. Based on weighted caseload standards, the workload is 128 percent of standard in the Second Juvenile District and 119 percent of standard in the Fourth District Court.
- Recommend an ongoing appropriation of \$150,000 and an FY 2005 supplemental appropriation of \$300,900 to support the juror/witness/interpreter fees.
- Add 3.5 Guardian ad Litem attorney positions at a cost of \$260,000 in ongoing funds and \$87,300 in one-time funds to assist with increased caseloads.
- Recommend \$718,600 in ongoing funds for increased contract and lease costs associated with court facilities.

FY 2006 PROPOSED LEGISLATIVE INTENT

- Funds for the Judicial Council/State Court Administrator are nonlapsing.
- Funds for Contracts and Leases are nonlapsing.
- Under provisions of Section 67-6-2, UCA, salaries for District Court judges are approved at \$112,100 for July 1, 2005 to June 30, 2006; other judicial salaries will be calculated in accordance with the statutory formula and rounded to the nearest \$50. (These amounts reflect an increase of 7.0 percent.)
- Funds for the Jury and Witness Program are nonlapsing.
- Funds for the Guardian ad Litem Program are nonlapsing.

COURTS

Operating Budget

	Actual FY 2004	Authorized FY 2005 ^(a)	Courts' Request FY 2006 ^(b)	Governor Walker's Recommendations		
				Base FY 2006	Ongoing and One-time Adj.	Total FY 2006
Plan of Financing						
General Fund	\$89,617,600	\$92,644,400	\$94,650,000	\$92,027,700	\$7,738,900	\$99,766,600
Federal Funds	174,400	170,000	170,000	170,000	0	170,000
Dedicated Credits	784,900	978,500	951,400	941,000	63,400	1,004,400
Restricted and Trust Funds	9,287,000	12,129,100	12,618,300	9,340,500	3,389,400	12,729,900
Transfers	1,883,100	1,431,400	843,400	843,400	39,800	883,200
Beginning Balances	860,700	738,100	(50,700)	(50,700)	0	(50,700)
Closing Balances	(738,100)	50,700	225,400	225,400	0	225,400
Lapsing Funds	(306,200)	0	0	0	0	0
Total Financing	\$101,063,100	\$108,142,200	\$109,407,800	\$103,497,300	\$11,231,500	\$114,728,800
Programs						
Courts						
Supreme Court	\$1,966,300	\$2,046,900	\$2,046,900	\$2,046,900	\$143,900	\$2,190,800
Law Library	517,600	500,900	500,900	500,900	13,800	514,700
Court of Appeals	2,701,900	2,816,600	2,816,600	2,816,600	193,400	3,010,000
District Court	32,390,100	33,889,900	34,376,500	33,660,600	3,052,000	36,712,600
Juvenile Court	25,663,900	28,401,200	28,788,800	28,406,600	2,671,500	31,078,100
Justice Courts	116,300	1,019,300	1,019,300	119,300	903,900	1,023,200
Court Security	2,163,300	4,000,000	4,000,000	2,200,000	1,800,000	4,000,000
Administration	3,487,300	4,064,700	3,267,000	3,267,000	180,500	3,447,500
Judicial Education	530,400	387,900	598,200	549,900	13,700	563,600
Data Processing	5,340,500	4,488,600	4,647,000	4,338,600	164,800	4,503,400
Grants	1,463,100	1,151,000	506,400	506,400	17,300	523,700
Grand Jury	1,400	1,000	800	800	0	800
Contracts/Leases	19,339,600	19,628,400	20,658,800	19,565,400	1,296,700	20,862,100
Jury/Witness/Interpreter Fees	1,676,200	1,675,600	1,990,600	1,675,600	149,800	1,825,400
Guardian ad Litem	3,705,200	3,920,200	4,190,000	3,842,700	630,200	4,472,900
Total Budget	\$101,063,100	\$108,142,200	\$109,407,800	\$103,497,300	\$11,231,500	\$114,728,800
% Change from Authorized FY 2005 to Total FY 2006						6.1%
FTE Positions	--	1,231.0	1,246.3	1,224.0	20.3	1,244.3

(a) In addition to the amounts listed in the authorized FY 2005 column, Governor Walker recommends a supplemental appropriation of \$300,900 from the General Fund for Jury/Witness/Interpreter fees.

(b) As per statute, the Courts' request is included without changes (the Courts' request does not include salary or benefit amounts, which are recommended on a statewide basis).

COURTS

COURTS FY 2006 OPERATING BUDGET						
Beginning Base Budget						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
D1 FY 2005 appropriated budget	\$92,644,400	\$53,300	\$996,500	\$12,129,100	\$2,567,300	\$108,390,600
D2 Adjustments for one-time FY 2005 appropriations	(616,700)	0	0	(2,703,500)	0	(3,320,200)
D3 Adjustments to funding levels	0	116,700	(55,500)	(85,100)	(1,549,200)	(1,573,100)
Total Beginning Base Budget - Courts	92,027,700	170,000	941,000	9,340,500	1,018,100	103,497,300
Statewide Ongoing Adjustments						
D4 Cost-of-living adjustments of 3% (non-judicial staff)	1,330,600	0	15,000	32,100	14,700	1,412,400
D5 Salary increase for judges	893,100	0	0	0	0	893,100
D6 Internal service fund adjustments (24,400)	(24,400)	0	(400)	(600)	(100)	(25,500)
D7 Market comparability adjustments	1,851,800	0	25,100	51,600	9,300	1,937,800
D8 Retirement rate adjustments	127,700	0	0	0	0	127,700
D9 Insurance rate adjustments	1,131,600	0	13,300	28,500	15,900	1,189,300
<i>Subtotal Statewide Ongoing Adjustments - Courts</i>	<i>5,330,400</i>	<i>0</i>	<i>53,000</i>	<i>111,600</i>	<i>39,800</i>	<i>5,534,800</i>
Ongoing Adjustments						
D10 Law clerks	369,500	0	0	0	0	369,500
D11 2nd District Juvenile Judge and support staff	245,100	0	0	0	0	245,100
D12 Deputy clerks for 6th District Juvenile Court	101,300	0	0	0	0	101,300
D13 Guardian ad Litem attorneys	260,000	0	0	0	0	260,000
D14 4th District Judge and support staff	245,100	0	0	0	0	245,100
D15 Deputy court clerks	137,100	0	0	0	0	137,100
D16 Jury/Witness/Interpreter fees	130,000	0	0	0	0	130,000
D17 Contracts and leases	718,600	0	10,400	577,800	0	1,306,800
D18 Justice technology	0	0	0	900,000	0	900,000
D19 Bailiff funding	0	0	0	1,800,000	0	1,800,000
D20 <i>Drug Offender Reform Act</i> - courts' portion for court clerks	94,500	0	0	0	0	94,500
<i>Subtotal Ongoing Adjustments - Courts</i>	<i>2,321,200</i>	<i>0</i>	<i>10,400</i>	<i>3,277,800</i>	<i>0</i>	<i>5,609,400</i>
One-time Adjustments						
D21 Guardian ad Litem equipment	87,300	0	0	0	0	87,300
<i>Subtotal One-time Adjustments - Courts</i>	<i>87,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>87,300</i>
Total FY 2006 Courts Adjustments	7,738,900	0	63,400	3,389,400	39,800	11,231,500
Total FY 2006 Courts Operating Budget	\$99,766,600	\$170,000	\$1,004,400	\$12,729,900	\$1,057,900	\$114,728,800

COURTS - CONTINUED

COURTS FY 2005 OPERATING BUDGET ADJUSTMENTS						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Supplemental Adjustments						
D22 Jury/Witness/Interpreter fees	\$300,900	\$0	\$0	\$0	\$0	\$300,900
Subtotal Supplemental Adjustments - Courts	300,900	0	0	0	0	300,900
Total FY 2005 Courts Operating Adjustments	\$300,900	\$0	\$0	\$0	\$0	\$300,900
COURTS TOTALS						
FY 2006 Operating Base Budget	\$92,027,700	\$170,000	\$941,000	\$9,340,500	\$1,018,100	\$103,497,300
FY 2006 Operating Ongoing and One-time Adjustments	7,738,900	0	63,400	3,389,400	39,800	11,231,500
FY 2006 Operating Recommendation	99,766,600	170,000	1,004,400	12,729,900	1,057,900	114,728,800
FY 2005 Operating Adjustments	300,900	0	0	0	0	300,900